

HFMA

**SPRING CONFERENCE  
CLINIC MODELS  
APRIL 30-MAY 1, 2009**

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HFMA

**LODI MEMORIAL  
HOSPITAL  
CASE STUDY  
1993-2009**

## Environment 1993-2000

- Foundation Health buying MD practices
- Primary care MD offered employment
- Hospitals taking capitation
- Merger mania
- Medical Group consolidation

## LMH Action 1993-2000

- Where are all the MediCal patients?
- Started Hospital based clinics
- 3 started in 1996 (HOPC)
- Form for profit MD management entity
- MD engaged as independent contractors
- No-we don't want to merge with anyone
- The capitation bandwagon-ouch!

## Outcome 1993-2000

- How do we end hospital capitation?
- Hooray for hospital-more referrals for us-specialists
- PCP's –Why are you competing with us?
- Referral patterns-why don't you support us?  
Local MD's? Hospital based MD's?
- Health Plan contracting –now we contract for hospital and professional services!

## Environment 2000-2005

- Continued consolidation of Medical Groups
- Governance issues with Medical Groups
- Capitation for IPA's
- SGMF purchases PCP group (20 MD's)
- MD's want hospital MSO assistance
- You want to be paid for ED call??

## LMH Action 2000-2005

- Expansion of HOPC
- Aggressive Health Plan Contracting
- Health Net cancellation
- Aggressive price increases
- Hospitalist program started (2001)

## Outcome 2000-2005

- Hospital increasing profitability
- MD reimbursement decreasing
- MSO for MD's not joining Sutter
- Lab & Radiology business disappear
- We need more beds!
- Strategy to compete?

## Environment 2006 2009

- Sutter presence-growing
- Capital needed for expansion, seismic improvements, etc.
- I hate this computer system!
- MD's: more work, less money?
- I thought I would be retired by now!
- We are loosing \$\$ on Medicare??

## LMH Action 2006-2009

- Develop MD strategy
- Community clinics-employ MD's
- Expand hospitalist program
- Establish presence in growing areas (North Stockton)

## Outcome 2006-2009

- Four new community clinics licensed
- Community clinics-employ MD's
- Six clinics planned -18 PPP's, 4 specialists
- Competitive model with Medical Foundation, Kaiser, etc.
- Endo Center & ASC –physician equity

## CODA 2009

- To compete successfully—need MD's
- MD business will never be profitable
- Take a big picture view
- Know the source of your business
- Watch the numbers
- Talk to your MD's-Get them to drink the Kool Aid!